

# APPENDIX F

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK  
CASE NO. 1:09-CV-01410-KAM-RLM

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ROSS UNIVERSITY SCHOOL OF MEDICINE,

Plaintiff,

vs.

BROOKLYN QUEENS HEALTH CARE, LTD., INC.  
and WYCKOFF HEIGHTS MEDICAL CENTER,

Defendants.

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374 Stockholm Street  
Brooklyn, New York

June 23, 2011  
10:10 a.m.

DEPOSITION of EMIL J. RUCIGAY,  
a Witness herein, taken by the Plaintiff, pursuant  
to Article 31 of the Civil Practice Law & Rules of  
Testimony, held at the above-mentioned time and  
place, before SARA FREUND, a Shorthand Reporter and  
a Notary Public of the State of New York.

<p>2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 BAKER &amp; HOSTETLER, LLP</p> <p>4 Attorneys for Plaintiff</p> <p>5 191 North Wacker Drive - Suite 3100</p> <p>6 Chicago, Illinois 60606</p> <p>7 BY: GEORGE J. TZANETOPOULOS, ESQ.</p> <p>8</p> <p>9 K&amp;L GATES, LLP</p> <p>10 Attorneys for Defendants</p> <p>11 599 Lexington Avenue</p> <p>12 New York, New York 10022</p> <p>13 BY: WALTER P. LOUGHLIN, ESQ.</p> <p>14</p> <p>15 ALSO PRESENT:</p> <p>16 David N. Hoffman, Esq., V.P. General Counsel</p> <p>17 Amee Patel</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>4</p> <p>1 E.J. RUCIGAY</p> <p>2 E M I L J. R U C I G A Y, after having first been</p> <p>3 duly sworn by a Notary Public of the State of New</p> <p>4 York, was examined and testified as follows:</p> <p>5 EXAMINATION BY</p> <p>6 MR. TZANETOPOULOS:</p> <p>7 Q. State your name and address for the</p> <p>8 record.</p> <p>9 A. Emil Rucigay, 87-07 Union Turnpike,</p> <p>10 Glendale, New York 11385.</p> <p>11 Q. Mr. Rucigay, have you ever given a</p> <p>12 deposition before?</p> <p>13 A. Yes.</p> <p>14 Q. Taken some?</p> <p>15 A. Yes.</p> <p>16 Q. So, you know the rules; we'll skip</p> <p>17 through the short version. As you know, I'll be</p> <p>18 asking you some questions. If you don't hear me or</p> <p>19 don't understand, please let me know and I'll</p> <p>20 repeat or restate. If you need a break, let us</p> <p>21 know that, too.</p> <p>22 MR. LOUGHLIN: I think with the air</p> <p>23 conditioning, you may have to speak more</p> <p>24 loudly and more distinctly in order for Mr.</p> <p>25 Rucigay to hear you.</p>
<p>3</p> <p>1 IT IS HEREBY STIPULATED AND AGREED by and</p> <p>2 between counsel for the respective parties hereto,</p> <p>3 that the filing, sealing, and certification of the</p> <p>4 within deposition shall be and the same are hereby</p> <p>5 waived;</p> <p>6 IT IS FURTHER STIPULATED AND AGREED that</p> <p>7 all objections, except as to the form of the</p> <p>8 question, shall be reserved to the times of trial;</p> <p>9 IT IS FURTHER STIPULATED AND AGREED that</p> <p>10 the within deposition may be signed before any</p> <p>11 Notary Public with the same force and effect as if</p> <p>12 signed and sworn to before this court.</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>5</p> <p>1 E.J. RUCIGAY</p> <p>2 MR. TZANETOPOULOS: I agree.</p> <p>3 Q. And if you don't hear me, just let me</p> <p>4 know, because I can have the tendency to talk to</p> <p>5 fast.</p> <p>6 Q. What is your business or occupation?</p> <p>7 A. I am presently semi-retired. I</p> <p>8 practiced law for many years.</p> <p>9 Q. And for how many years did you practice</p> <p>10 law?</p> <p>11 A. Since 1953.</p> <p>12 Q. What type of practice was or is your</p> <p>13 practice?</p> <p>14 A. General practice.</p> <p>15 Q. And how long have you had some sort of</p> <p>16 position here at Wyckoff Heights Medical Center?</p> <p>17 A. At least 40 years.</p> <p>18 Q. In what different roles have you served</p> <p>19 here?</p> <p>20 A. Trustee; treasurer of the hospital at</p> <p>21 one time; chairman of the board.</p> <p>22 Q. And, presently, are you chairman of the</p> <p>23 board of Wyckoff Heights Medical Center?</p> <p>24 A. Yes, I am.</p> <p>25 Q. And by "board," we mean Board of</p>

<p>6</p> <p>1 E.J. RUCIGAY</p> <p>2 Trustees?</p> <p>3 A. Yes.</p> <p>4 Q. Are you presently chairman of the board</p> <p>5 of Brooklyn Queens Health Care?</p> <p>6 A. Yes.</p> <p>7 Q. Are you presently chairman of the board</p> <p>8 of Caritas Health Care?</p> <p>9 A. Yes.</p> <p>10 Q. How long have you been chairman at</p> <p>11 Wyckoff?</p> <p>12 A. Some ten or twelve years.</p> <p>13 Q. And for Brooklyn Queens Health Care?</p> <p>14 A. Since its inception.</p> <p>15 Q. And Caritas?</p> <p>16 A. Same.</p> <p>17 Q. Well, let's dive right in. When is it</p> <p>18 that Wyckoff first began to consider acquiring</p> <p>19 Saint John's and Mary Immaculate hospitals?</p> <p>20 A. Sometime in -- I guess it would be 2006.</p> <p>21 Q. And in general terms, why was Wyckoff</p> <p>22 interested in acquiring these hospitals?</p> <p>23 A. Some trustees thought it was the right</p> <p>24 thing to do.</p> <p>25 Q. Were you among that group?</p>	<p>8</p> <p>1 E.J. RUCIGAY</p> <p>2 Medical Center Board of Trustees' meeting minutes</p> <p>3 for the meeting on February 9, 2006?</p> <p>4 A. Yes.</p> <p>5 Q. Was it the board's regular practice to</p> <p>6 have minutes of its meetings prepared and made?</p> <p>7 A. Oh, yes.</p> <p>8 Q. You could take a look at it as much of</p> <p>9 it as you'd like. I would like direct your</p> <p>10 attention to page 4, and at the bottom of the page</p> <p>11 the minutes read, "Mr. Rucigay stated that if this</p> <p>12 acquisition is accomplished, the success can be</p> <p>13 attributed to the actions of Mr. Gio and Mr.</p> <p>14 McDonald, who worked diligently on this project."</p> <p>15 Who is Mr. McDonald?</p> <p>16 A. He was the chief financial officer.</p> <p>17 Q. Of Wyckoff?</p> <p>18 A. Of Wyckoff.</p> <p>19 Q. His first name is Harold, correct?</p> <p>20 A. Harold.</p> <p>21 (Whereupon, Plaintiff's Exhibit 2 was</p> <p>22 marked for identification.)</p> <p>23 Q. Let me show you a document that the</p> <p>24 court reporter has marked as Deposition Exhibit</p> <p>25 number 2. Is Exhibit number 2 a copy of the</p>
<p>7</p> <p>1 E.J. RUCIGAY</p> <p>2 A. At times, yes.</p> <p>3 Q. Who from the board of trustees and from</p> <p>4 hospital management were primarily responsible for</p> <p>5 putting together Wyckoff's offer and negotiating</p> <p>6 that offer?</p> <p>7 A. That would have been our CEO.</p> <p>8 Q. Dominick Gio?</p> <p>9 A. Yes.</p> <p>10 Q. Who was responsible for putting funding</p> <p>11 together for Wyckoff's potential acquisition?</p> <p>12 A. Exactly who I don't know.</p> <p>13 Q. Would it had fallen within Mr. Gio's</p> <p>14 responsibilities either to do it or to find</p> <p>15 somebody to do that?</p> <p>16 A. Probably.</p> <p>17 Q. Where was the funding to come from? How</p> <p>18 were you going to raise the money, or did you have</p> <p>19 it?</p> <p>20 A. I don't know.</p> <p>21 (Whereupon, Plaintiff's Exhibit 1 was</p> <p>22 marked for identification.)</p> <p>23 Q. Mr. Rucigay, let me show you a document</p> <p>24 that the court reporter has marked as Deposition</p> <p>25 Exhibit 1. Is this a copy of the Wyckoff Heights</p>	<p>9</p> <p>1 E.J. RUCIGAY</p> <p>2 Wyckoff Heights Medical Center Board of Trustees'</p> <p>3 meeting minutes for the meeting held January 11,</p> <p>4 2007?</p> <p>5 A. Yes.</p> <p>6 Q. And, again, you can look at it as much</p> <p>7 as you'd like. If I can direct your attention to</p> <p>8 page number 3, at the very bottom there is a</p> <p>9 statement "Report of the President and CEO." Do</p> <p>10 you see where I am? It reads, "Mr. Gio thanked the</p> <p>11 Mr. Rucigay and the other Executive Committee</p> <p>12 members who were appointed as board members of</p> <p>13 Brooklyn Queens Health Care, as well as Caritas,</p> <p>14 for taking on that responsibility. The first</p> <p>15 meeting was held today, and the budgets that were</p> <p>16 prepared by Harold McDonald, Hal McNeil and Richard</p> <p>17 Sarli, the CFO of Caritas, were represented." Was</p> <p>18 it, in fact, the case that January 11, 2007 is the</p> <p>19 first time that the Brooklyn Queens Health Care</p> <p>20 board met?</p> <p>21 A. I don't know if that's the first.</p> <p>22 Q. Any reason to believe that the minutes</p> <p>23 are inaccurate in that regard?</p> <p>24 A. Well, you said the first.</p> <p>25 Q. Yes. It says, "The first meeting was</p>

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1 E.J. RUCIGAY  
2 held today."  
3 A. If it says so, then it must have been.  
4 Q. There is also reference that the  
5 Executive Committee members were appointed as board  
6 members of Brooklyn Queens Health Care, as well as  
7 Caritas. To your understanding, was that a  
8 reference to the Executive Committee members of the  
9 Wyckoff board?

10 A. Would you repeat that, please?  
11 Q. My question was, to your understanding,  
12 is the reference to the Executive Committee members  
13 who were appointed, is that a reference to the  
14 Wyckoff Heights Medical Center board's Executive  
15 Committee members?

16 A. I don't know, but it appears as though  
17 they were the executive members of the BQH.

18 Q. Let me try it a different way. Is it  
19 the case that the Executive Committee members of  
20 the Wyckoff board were appointed as the initial  
21 board members of the BQHC and Caritas?

22 A. I don't quite follow.

23 Q. Let me try again. Does the Wyckoff  
24 Heights board have an Executive Committee?

25 A. We do, yes.

1 E.J. RUCIGAY  
2 discussed earlier: You, Mr. Figueroa, Mr. Cook and  
3 Mr. Heller?

4 A. There was someone else -- Vinnie --  
5 that's it, Vinnie Acuri.

6 Q. So, the five of you?

7 A. Yes.

8 Q. Let me go backwards in time just a  
9 little bit -- again, fair warning, going back to  
10 2006.

11 (Whereupon, Plaintiff's Exhibit 3 was  
12 marked for identification.)

13 Q. Mr. Rucigay, let me show you a document  
14 that the court reporter has marked as Deposition  
15 Exhibit number 3. Is Exhibit 3 a copy of the  
16 Wyckoff Heights Medical Center Board of Trustees'  
17 meeting minutes for their meeting held October 5,  
18 2006?

19 A. Yes.

20 Q. If I may direct your attention to page 3  
21 of those minutes, please, again, we have a report  
22 from the president and CEO. Was it Mr. Gio's  
23 regular practice to make a report of each of your  
24 meetings?

25 A. Yes.

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13

1 E.J. RUCIGAY  
2 Q. Is it the case that at the time of this  
3 meeting, January of 2007, that it was the Wyckoff  
4 board's Executive Committee who was appointed to be  
5 the board of BQHC and Caritas?

6 A. It could be.

7 Q. Who were those people at that time?

8 A. It would have been myself, Adam  
9 Figueroa, John Cook, Fred Heller -- I'm not sure.

10 Q. Who was it that appointed the BQHC board  
11 members? Who did the actual selecting?

12 A. We did it amongst ourselves.  
13 (Whereupon, recess was taken.)

14 Q. You said that the BQHC board members  
15 were selected amongst yourselves. Does that mean  
16 that the Wyckoff Heights Board of Trustees was the  
17 group that selected the BQHC board members?

18 A. The Wyckoff Heights board is much, much  
19 larger.

20 Q. Was it the Executive Committee of  
21 Wyckoff's board that selected the board members of  
22 BQHC?

23 A. It was a group of us got together and we  
24 formed BQHC. We formed a new corporation.

25 Q. And that group would be the group you

1 E.J. RUCIGAY

2 Q. And a little bit down that page there is  
3 a sentence right here that says, "Mr. Gio reported  
4 that the Executive Committee met prior to this  
5 meeting and voted on the following issues," and  
6 then there is a list of three. Take a moment,  
7 review that, and when you're ready I'll have  
8 questions about those issues.

9 The Executive Committee, it says, voted  
10 on a resolution authorizing Wyckoff Heights Medical  
11 Center to loan up to \$10 million to Caritas for  
12 startup operations. Is that correct? That will be  
13 the first question.

14 A. Apparently.

15 Q. Why was it that the Executive Committee  
16 was voting on this rather than the full board? Was  
17 there a division of responsibility?

18 A. No. I don't know why that happened.

19 Q. Further down in the minutes it reads,  
20 "Mr. Gio stated that the Executive Committee  
21 approved the resolution," and "2, Mr. Gio stated  
22 that he presented a compensation package to the  
23 committee for approval outlining the compensation  
24 of the corporate officers of Brooklyn Queens Health  
25 Care." Did that, in fact, occur?

<p style="text-align: right;">14</p> <p>1 E.J. RUCIGAY</p> <p>2 A. I presume so. I don't know. I wasn't</p> <p>3 at this meeting.</p> <p>4 Q. You're right. You had heart surgery at</p> <p>5 the time, did you not?</p> <p>6 A. Yes.</p> <p>7 Q. At some point, did somebody bring you up</p> <p>8 to speed about what had occurred at the meetings</p> <p>9 that you missed?</p> <p>10 A. I don't know. I was in pretty bad</p> <p>11 shape.</p> <p>12 Q. In 2006, did Brooklyn Queens Health Care</p> <p>13 have corporate officers?</p> <p>14 A. I don't know when it occurred.</p> <p>15 Q. Were corporate officers of Brooklyn</p> <p>16 Queens Health Care ever paid money? Did they have</p> <p>17 compensation?</p> <p>18 A. No -- I wish they were.</p> <p>19 Q. Do you have any idea what it was the</p> <p>20 Executive Committee and Mr. Gio were up to in</p> <p>21 putting together compensation packages for Brooklyn</p> <p>22 Queens Health Care's corporate officers?</p> <p>23 A. No.</p> <p>24 Q. Further down, toward the bottom of the</p> <p>25 page, it goes on to say, "Mr. Gio stated that the</p>	<p style="text-align: right;">16</p> <p>1 E.J. RUCIGAY</p> <p>2 A. I don't know.</p> <p>3 Q. When the Executive Committee of</p> <p>4 Wyckoff's board met, were minutes kept of those</p> <p>5 meetings?</p> <p>6 A. Usually.</p> <p>7 Q. Are they retained here at the hospital?</p> <p>8 A. They would be if they were taken.</p> <p>9 (Whereupon, Plaintiff's Exhibit 4 was</p> <p>10 marked for identification.)</p> <p>11 Q. Mr. Rucigay, let me show a document that</p> <p>12 the court reporter has marked as Deposition Exhibit</p> <p>13 number 4. Is Exhibit 4 a copy of the Wyckoff</p> <p>14 Heights Board of Trustees' meeting minutes for the</p> <p>15 meeting of December 14, 2006?</p> <p>16 A. They appear to be.</p> <p>17 Q. Let me direct your attention to the</p> <p>18 third page, Mr. Gio's report, the report of the</p> <p>19 president and CEO. Take a minute to take a look at</p> <p>20 that and I have a couple of questions there.</p> <p>21 The minutes read that "Mr. Gio presented</p> <p>22 the new logos for Caritas and Wyckoff Heights</p> <p>23 Medical Center. He explained that due to the</p> <p>24 acquisition of Saint John's and Mary Immaculate</p> <p>25 hospitals, new companies had to be formed, one of</p>
<p style="text-align: right;">15</p> <p>1 E.J. RUCIGAY</p> <p>2 Executive Committee approved that the remaining</p> <p>3 seven years of the employment contract" -- let me</p> <p>4 start at the beginning. Number 3 reads, "Mr. Gio</p> <p>5 advised the board members that a proposal to have</p> <p>6 Caritas assume his employment contract for the</p> <p>7 remaining seven years of his contract, except for</p> <p>8 the agreed compensation as outlined in the</p> <p>9 compensation package. All other terms and</p> <p>10 conditions will remain unaltered. Mr. Gio stated</p> <p>11 that the Executive Committee approved that</p> <p>12 remaining seven years of the employment contract</p> <p>13 will be assumed by the BQHC." Did BQHC ever assume</p> <p>14 Mr. Gio's employment contract?</p> <p>15 A. I don't know.</p> <p>16 Q. At this point in time, Mr. Gio was CEO</p> <p>17 of Wyckoff, was he not?</p> <p>18 A. Yes.</p> <p>19 Q. And he had an employment contract with</p> <p>20 Wyckoff?</p> <p>21 A. Yes.</p> <p>22 Q. As you read these minutes, do you think</p> <p>23 that the references here to the assumption of an</p> <p>24 employment contract referred to the assumption of</p> <p>25 his employment contract with Wyckoff?</p>	<p style="text-align: right;">17</p> <p>1 E.J. RUCIGAY</p> <p>2 them being BQHC, Brooklyn Queens Health Care, which</p> <p>3 is the parent company of Caritas and Wyckoff. He</p> <p>4 went on to say that Caritas was formed to be the</p> <p>5 licensed holder of Saint John's and Mary Immaculate</p> <p>6 hospitals. Mr. Gio circulated the logos and asked</p> <p>7 for approval from the board for the new logos."</p> <p>8 And then below that in capital letters the minutes</p> <p>9 reflect an actual recommendation which says, "On a</p> <p>10 motion properly made by Mr. Cook, seconded by Dr.</p> <p>11 Rao, all in favor, the logos for Caritas and</p> <p>12 Wyckoff Heights Medical Center were unanimously</p> <p>13 approved by the board of trustees." My question</p> <p>14 is, is it the case that the corporations were</p> <p>15 already formed at this time and the only thing the</p> <p>16 Wyckoff board approved were the logos?</p> <p>17 A. Apparently.</p> <p>18 Q. Who was it that actually formed the</p> <p>19 corporations?</p> <p>20 A. I don't know.</p> <p>21 (Whereupon, Plaintiff's Exhibit 5 was</p> <p>22 marked for identification.)</p> <p>23 Q. Mr. Rucigay, let me show you a document</p> <p>24 that the court reporter has marked as Exhibit</p> <p>25 number 5. It says that it is an employment</p>



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E.J. RUCIGAY

agreement by and between Brooklyn Queens Health Care, Wyckoff Heights Medical Center and Caritas and Harold McDonald. I take it this is the Mr. McDonald we were talking about just a moment ago?

A. Yes.

Q. The agreement, at the very top you see, defines Brooklyn Queens Health Care for purposes of this contract as the "system," correct?

A. Yes.

Q. If we go down to paragraph 1 it says "System shall employ as executive vice president," etc.

A. Yes.

MR. LOUGHLIN: Objection. The document, as lawyers often say, speaks for itself. Mr. Rucigay didn't sign this document; it's signed by Mr. McDonald and Mr. Gio, I think, and perhaps someone else, as well -- I can't read the signatures very clearly. Going through the document and asking Mr. Rucigay to confirm that something that is a defined term is indeed a defined term, or that the sentence indeed contains the language that's typed out in that sentence, doesn't seem to

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E.J. RUCIGAY

those your signatures for Brooklyn Queens Health Care, Wyckoff Heights Medical Center? Page 437 is the identification number.

A. That's my signature, yes.

Q. So, for Brooklyn Queens Health Care and Wyckoff, both?

A. Yes.

Q. And then if we can go two further pages back to the one identified as 439, the very last page of the exhibit, that's your signature also?

A. Yes.

Q. Again, you can look at it as much as you'd like, but it's the third paragraph on the first page that I have questions about. That portion of the agreement says that "BQHC has loaned the borrower \$1 million in cash, the BQHC obligation, and Wyckoff has entered into lease obligations for equipment provided to the borrower with a fair value of not less than \$3.2 million." Later down at the very bottom it says, "The BQHC obligation is now documented between BQHC and the borrower, and the Wyckoff obligation is now documented between Wyckoff and the borrower." Did, in fact, BQHC lends \$1 million to Caritas?

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E.J. RUCIGAY

be a very useful way to proceed. But, you know, it's your deposition.

MR. TZANETOPOULOS: Thank you.

Q. Did Brooklyn Queens Health Care do the actual paying of Mr. McDonald. Did he get paid by Brooklyn Queens Health Care?

A. I don't know.

Q. Mr. Loughlin got ahead of me a little. If we can look at the signature page, page 4, do you recognize that it's Mr. Gio's signature in each case: For Brooklyn Queens Health Care; Wyckoff Heights Medical Center and Caritas Health Care?

A. It appears that way, yes.

Q. I take it you've seen Mr. Gio's signature an awful lot over the years?

A. I've seen it, yes.

(Whereupon, Plaintiff's Exhibit 6 was marked for identification.)

Q. Mr. Rucigay, let me show you a document that the court reporter has marked as Deposition Exhibit number 6. It's entitled "Affiliate Subordination Agreement" dated as of January 1, 2007. If I can direct your attention to the last three pages which are the signature pages. Are

21

E.J. RUCIGAY

A. I would not personally know. It's whatever it says, it says. I don't know.

Q. Has BQHC ever had a million dollars?

A. To my knowledge, I don't know. I really couldn't say.

Q. Do you have any idea why it is you signed a document that says BQHC has lent a million dollars?

A. Counsel told us to handle these things. We would be presented documents and we signed it. Advice of counsel was just generally where we were at.

Q. So, you believe this document was prepared by the hospital's legal counsel?

A. I don't know who prepared it.

Q. Do you believe that it was reviewed by hospital's legal counsel before you signed it?

A. Someone had to -- yes.

MR. LOUGHLIN: I think the signature page includes reference to the Kaye Scholer law firm. I'll just note emphatically that Exhibit 6 is a subordination agreement. It's the sort of thing that would be drafted by outside counsel, one would imagine.

<p style="text-align: right;">22</p> <p>1 E.J. RUCIGAY</p> <p>2 (Whereupon, Plaintiff's Exhibit 7 was</p> <p>3 marked for identification.)</p> <p>4 Q. Mr. Rucigay, let me show you a document</p> <p>5 that the court reporter has marked as Exhibit</p> <p>6 number 7. Is Exhibit 7 the Wyckoff Heights Medical</p> <p>7 Center Board of Trustees' meeting minutes for the</p> <p>8 meeting of February 8, 2007?</p> <p>9 A. Yes.</p> <p>10 Q. If I can direct your attention to the</p> <p>11 third page, again, the president's report, there is</p> <p>12 a discussion toward the bottom that says, "The</p> <p>13 business plan calls for Wyckoff to begin dropping</p> <p>14 bills in January" -- let's go to the very top. Go</p> <p>15 ahead and read the whole thing and then I'll just</p> <p>16 ask questions. My question is, in layman's terms,</p> <p>17 what is it that went wrong here?</p> <p>18 A. I don't understand what you mean by what</p> <p>19 went wrong.</p> <p>20 Q. There's a discussion about that "due to</p> <p>21 unforeseen circumstances, we were not able to drop</p> <p>22 bills in a timely manner, which resulted in cash</p> <p>23 flow problems and a three-week delay." What is it</p> <p>24 that happened?</p> <p>25 A. I haven't the foggiest idea.</p>	<p style="text-align: right;">24</p> <p>1 E.J. RUCIGAY</p> <p>2 clinical rotations here?</p> <p>3 A. No.</p> <p>4 Q. Was entering into contracts with medical</p> <p>5 schools for clerkships the sort of contract that</p> <p>6 was left to the discretion of hospital management?</p> <p>7 A. I have no idea what was going on in that</p> <p>8 capacity at the time.</p> <p>9 Q. Had any contract between a medical</p> <p>10 school and Wyckoff for medical student clerkships</p> <p>11 ever been brought to the board for its approval?</p> <p>12 A. Not to my knowledge.</p> <p>13 (Whereupon, Plaintiff's Exhibit 9 was</p> <p>14 marked for identification.)</p> <p>15 Q. Mr. Rucigay, let me show you a document</p> <p>16 that the court reporter has marked as Exhibit 9.</p> <p>17 It's an affiliation agreement between Ross</p> <p>18 University School of Medicine, School of Veterinary</p> <p>19 Medicine Limited and Brooklyn Queens Health Care.</p> <p>20 Before today, have you ever seen a copy of this</p> <p>21 contract?</p> <p>22 A. Not to my knowledge.</p> <p>23 Q. Was it ever presented to the Wyckoff</p> <p>24 board for approval?</p> <p>25 A. Not to my knowledge.</p>
<p style="text-align: right;">23</p> <p>1 E.J. RUCIGAY</p> <p>2 (Whereupon, Plaintiff's Exhibit 8 was</p> <p>3 marked for identification.)</p> <p>4 Q. Mr. Rucigay, let me show you a document</p> <p>5 that the court reporter has marked as Exhibit 8.</p> <p>6 It's an August 21, 2006 letter that Mr. Gio sent to</p> <p>7 Dr. Nancy Perri at Ross University School of</p> <p>8 Medicine. Let's go back a step before we get to</p> <p>9 the letter itself. I've seen references and</p> <p>10 documents produced by the defendants that we may</p> <p>11 talk about a bit that discuss using money raised</p> <p>12 through prepayment contracts with medical schools</p> <p>13 to pay for the expense of a central business</p> <p>14 office. Was that the plan in about 2006?</p> <p>15 A. I have no idea.</p> <p>16 Q. Were you aware that Mr. Gio was</p> <p>17 soliciting prepayment contracts through Caribbean</p> <p>18 medical schools at this time?</p> <p>19 A. No.</p> <p>20 Q. Was any of that brought to the attention</p> <p>21 of the board?</p> <p>22 A. Not to my knowledge.</p> <p>23 Q. Were you aware that in 2006 and before,</p> <p>24 Wyckoff Heights had entered into contracts where</p> <p>25 medical schools paid to send students through</p>	<p style="text-align: right;">25</p> <p>1 E.J. RUCIGAY</p> <p>2 Q. To the BQHC board?</p> <p>3 A. Not to my knowledge.</p> <p>4 Q. Or to the Caritas board?</p> <p>5 A. Not to my knowledge.</p> <p>6 (Whereupon, recess was taken.)</p> <p>7 (Whereupon, Plaintiff's Exhibit 10 was</p> <p>8 marked for identification.)</p> <p>9 Q. Mr. Rucigay, let me show a document that</p> <p>10 the court reporter has marked as Exhibit number 10.</p> <p>11 It's a promissory note dated December 1, 2006. If</p> <p>12 you look at the back page, the signatories are AUC</p> <p>13 N.V., Brooklyn Queens Health Care, Caritas Health</p> <p>14 Care and Wyckoff Heights Medical Center. The three</p> <p>15 signatures there for Brooklyn Queens, Caritas and</p> <p>16 Wyckoff, that's Mr. Gio?</p> <p>17 A. Yes.</p> <p>18 Q. Was this promissory note ever brought to</p> <p>19 the attention of any of the boards of BQHC, Wyckoff</p> <p>20 or Caritas before it was signed?</p> <p>21 A. Not to my knowledge.</p> <p>22 Q. Did any board member take any position</p> <p>23 to approve or disapprove it?</p> <p>24 A. I have no idea.</p> <p>25 (Whereupon, Plaintiff's Exhibit 11 was</p>



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E.J. RUCIGAY

marked for identification.)

Q. Mr. Rucigay, let me show you a document that the court reporter has marked as Exhibit 11. It's a June 7, 2007 document entitled "President's Letter, Wyckoff Heights Medical Center, Board of Trustees."

A. Yes.

Q. I will tell you, I pulled this from a board package that the defendants produced in this case. Was it Mr. Gio's usual practice to prepare a president's letter to include in board packages that were given to the trustees before meetings?

A. Yes.

Q. And this is one such letter?

A. Apparently.

Q. If I can direct your attention to the page that bears identification number BQHC 54897, at the top of that page is a heading "Undergraduate Medical Education," and if you read that section I have a couple of questions about it.

A. Go ahead.

Q. Does the hospital have a Graduate Medical Education Division?

A. Apparently.

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E.J. RUCIGAY

Q. In any event, Mr. Gio's letter says, "This division continues to coordinate all placement and support to an average of 400 medical students from eight affiliated medical schools at Wyckoff Heights Medical Center and Caritas Health Care." And a couple of lines down he continues to write, "Prepayment for clerkships was secured from Ross University and American University of the Caribbean for Caritas in the amount of \$8.5 million. Prepayment for clerkships was secured from American University of Antigua, Saint Matthew's University and Education International Consulting (Saba and Nevis) for Wyckoff Heights Medical Center in the amount of \$3.25 million. All affiliation agreements have been reviewed and approved by the New York State Education Department." Do you see where I am?

MR. LOUGHLIN: Again, it's your deposition, but I object to just reading from the document. If you direct the witness's attention to something, he can read it and you could ask him a question.

Q. We can agree, can we not, that Mr. Gio had at least informed the Wyckoff Heights board of

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E.J. RUCIGAY

the entry into a contract with Ross under which Ross paid money, correct?

MR. LOUGHLIN: Object to form.

A. I guess.

Q. Did anyone on the board ever object to hospital management entering into the contracts referred to in Mr. Gio's letter in Exhibit 11?

A. Not to my knowledge. I don't know.

MR. LOUGHLIN: The witness has already testified that he has no knowledge of any of these education matters or contracts being brought to the attention of the board.

(Whereupon, Plaintiff's Exhibit 12 was marked for identification.)

Q. Mr. Rucigay, let me show you a document that the court reporter marked as Exhibit number 12. Exhibit 12 is, is it not, the audited financial statement for Caritas for the year ended 2007?

A. Yes.

Q. Was it your practice to review the audited financial statements of Caritas when they were issued?

A. We were supposed to, apparently.

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E.J. RUCIGAY

Q. Did you or the board take any part in the preparation of those financial statements?

A. No.

Q. If I can refer you, sir, to page 4 of the financial statement, and under the heading "Liabilities and Net Asset Deficiency" there is a line for "Current portion of deferred revenue (note 4)," and another one further down "Deferred revenue, less current portion (note 4)."

A. Yes.

Q. If I can direct your attention to note 4, which is on page 18, it reads, "Caritas received advances from Ross University and American University of the Caribbean to essentially prepay Caritas for the training of Ross and AUC medical students in the various rotations required at a discount per-week rate. Amounts of \$5 million and \$4 million were received from Ross on December 26, 2006 and December 27, 2007 respectively." Would you agree, sir, that if you had reviewed these financial statements, you would have had available to you the information -- let me ask a better question. Do you agree that had you reviewed Caritas Health Care's financial statement for 2007,

<p>30</p> <p>1 E.J. RUCIGAY</p> <p>2 you would have had available to you the knowledge</p> <p>3 or information that Ross had paid \$5 million and \$4</p> <p>4 million for prepaid medical student clerkships?</p> <p>5 MR. LOUGHLIN: Objection to form.</p> <p>6 A. Probably.</p> <p>7 Q. Were the financial statements in Exhibit</p> <p>8 12 circulated to all the board members?</p> <p>9 A. I believe so.</p> <p>10 (Whereupon, Plaintiff's Exhibit 13 was</p> <p>11 marked for identification.)</p> <p>12 Q. Mr. Rucigay, the court reporter handed</p> <p>13 you a document marked Deposition Exhibit 13. Is</p> <p>14 Exhibit 13 the minutes from a special Board of</p> <p>15 Trustees meeting of the board of Wyckoff and</p> <p>16 Caritas?</p> <p>17 A. Yes.</p> <p>18 Q. On the second page, the minutes begin</p> <p>19 and say, "Mr. Rucigay explained that the reason</p> <p>20 this meeting was called is because of events</p> <p>21 relating to the current fiscal situation," and it</p> <p>22 goes on to be some discussion of co-mingling of</p> <p>23 funds by the former chief financial officer. Do</p> <p>24 you recall the event?</p> <p>25 A. I think I have an idea what this is,</p>	<p>32</p> <p>1 E.J. RUCIGAY</p> <p>2 A. At the behest of the state.</p> <p>3 Q. What did the state say about why the</p> <p>4 state required the engagement of a restructuring</p> <p>5 consultant?</p> <p>6 A. I don't remember the details of it.</p> <p>7 Q. In any event, the state did require the</p> <p>8 hospital to engage this consultant, correct?</p> <p>9 A. Yes.</p> <p>10 (Whereupon, Plaintiff's Exhibit 14 was</p> <p>11 marked for identification.)</p> <p>12 Q. Mr. Rucigay, let me show you a document</p> <p>13 that the court reporter has marked as Exhibit 14.</p> <p>14 It looks to be a draft letter from you to a</p> <p>15 commissioner -- I assume -- of the State Department</p> <p>16 of Health.</p> <p>17 A. Daines. Yes.</p> <p>18 Q. Commissioner Daines?</p> <p>19 A. Yes.</p> <p>20 Q. Was a final version of this letter ever</p> <p>21 prepared and sent to Commissioner Daines. We have</p> <p>22 a draft here, sir. Was a final version of this</p> <p>23 letter prepared by you and sent to Commissioner</p> <p>24 Daines?</p> <p>25 A. I believe so.</p>
<p>31</p> <p>1 E.J. RUCIGAY</p> <p>2 yes.</p> <p>3 Q. What do you recall of the co-mingling of</p> <p>4 funds that are referred to in these minutes?</p> <p>5 A. I couldn't tell you any details other</p> <p>6 than I think it was an incident involving Hal</p> <p>7 McNeil. I can't recall the details.</p> <p>8 Q. The minutes refer in the second sentence</p> <p>9 to an investigation. It says, "Upon investigation,</p> <p>10 it was discovered." Who conducted the</p> <p>11 investigation?</p> <p>12 A. I really don't recall.</p> <p>13 Q. Do you know how it is that the</p> <p>14 co-mingling came to light?</p> <p>15 A. No, I don't recall it.</p> <p>16 Q. In response to this co-mingling event,</p> <p>17 did the State of New York Department of Health</p> <p>18 require Wyckoff to engage a restructuring</p> <p>19 consultant?</p> <p>20 A. I can't quite follow this. You give me</p> <p>21 two things here.</p> <p>22 Q. Wyckoff did, in fact, engage FTI Cambio</p> <p>23 as a restructuring consultant.</p> <p>24 A. Yes.</p> <p>25 Q. Why did it do so?</p>	<p>33</p> <p>1 E.J. RUCIGAY</p> <p>2 Q. Did you personally have discussions with</p> <p>3 Commissioner Daines about the engagement of a</p> <p>4 restructuring consultant?</p> <p>5 A. No.</p> <p>6 Q. Did you have discussions with</p> <p>7 Commissioner Daines about this co-mingling of funds</p> <p>8 incident?</p> <p>9 A. No.</p> <p>10 (Whereupon, Plaintiff's Exhibit 15 was</p> <p>11 marked for identification.)</p> <p>12 Q. Mr. Rucigay, let me show you a document</p> <p>13 that the court reporter has marked as Exhibit</p> <p>14 number 15. It appears to be a September 27, 2007</p> <p>15 petition to the Internal Revenue Service on behalf</p> <p>16 of Wyckoff for a relief of penalties and interest.</p> <p>17 Were you aware that such a petition was being made?</p> <p>18 A. I don't recall.</p> <p>19 Q. Do you know who Charles Barragato is?</p> <p>20 A. Frankly, no.</p> <p>21 Q. How about Angelo Pirossi?</p> <p>22 A. No.</p> <p>23 Q. Do you know if the commission granted</p> <p>24 relief?</p> <p>25 A. I have no idea.</p>

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1 E.J. RUCIGAY  
2 Q. If I can direct your attention to page 4  
3 of the petition.  
4 A. Go ahead.  
5 Q. It says, "The Wyckoff longtime nine-year  
6 CFO, as a responsible officer and substantial  
7 influence with the organization, blatantly and  
8 consistently misrepresented to his direct reports,  
9 Wyckoff's COO, CEO and Board of Trustees, that its  
10 payroll tax withholdings were being timely  
11 deposited." Assuming this is a reference to Hal  
12 McNeil, the CFO, isn't it the case that Mr. McNeil  
13 reported directly to Wyckoff's chief operating  
14 officer?  
15 MR. LOUGHLIN: Objection to form.  
16 A. I don't follow that.  
17 Q. At the time this co-mingling event  
18 occurred, was Mr. McNeil Wyckoff's chief financial  
19 officer?  
20 MR. LOUGHLIN: You mean the co-mingling  
21 referred to in Exhibit 14?  
22 MR. TZANETOPOULOS: Yes.  
23 A. I'm not sure.  
24 Q. Do you know to whom Mr. McNeil reported?  
25 A. As far as I'm concerned, Dominick Gio.

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1 E.J. RUCIGAY  
2 (Whereupon, recess was taken.)  
3 (Whereupon, Plaintiff's Exhibit 16 was  
4 marked for identification.)  
5 Q. Mr. Rucigay, let me show you a document  
6 that the court reporter has marked as Exhibit  
7 number 16. Is Exhibit 16 the engagement letter  
8 that you signed to engage FTI Cambio as a  
9 consultant?  
10 A. Yes.  
11 (Whereupon, Plaintiff's Exhibit 17 was  
12 marked for identification.)  
13 Q. I show you a document that's been marked  
14 as Exhibit number 17. Is Exhibit 17 an  
15 Administrative Services Agreement with FTI that you  
16 signed on behalf of Brooklyn Queens Health Care,  
17 Caritas Health Care and Wyckoff?  
18 A. Yes.  
19 Q. If I can direct your attention to page  
20 11 of the contract.  
21 A. Yes.  
22 Q. In paragraph 5.1.1, it states that "BQHC  
23 will pay to FTI Cambio a fixed monthly fee," and  
24 then lists them. And in the next section, 5.1.2:  
25 "The contract provides that the fee payable to FTI

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1 E.J. RUCIGAY  
2 Cambio shall be allocated between Caritas and  
3 Wyckoff in some proportions. BQHC shall be  
4 responsible, however, for payment of fee." Why was  
5 it that BQHC was made responsible for payment here?  
6 A. I have no idea.  
7 Q. Did BQHC have a bank account from which  
8 payment could be made at this point in time?  
9 A. I have no idea.  
10 MR. LOUGHLIN: I'll state for the record  
11 that I think a portion of 5.1.2 which you  
12 didn't read, indicates that BQHC would make  
13 commercially reasonable efforts to collect  
14 the payment from Caritas and Wyckoff in  
15 connection with the fee for FTI Cambio.  
16 Mr. TZANETOPOULOS: You quarrel with me  
17 when I read the whole thing and you quarrel  
18 with me when I don't. I try to avoid the  
19 quarrel.  
20 (Whereupon, Plaintiff's Exhibit 18 was  
21 marked for identification.)  
22 Q. Mr. Rucigay, let me show to you a  
23 document that the court reporter has marked as  
24 Exhibit number 18. Is Exhibit 18 a memo that you  
25 issued to the Senior Cabinet of BQHC, Wyckoff and

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1 E.J. RUCIGAY  
2 Caritas on July 30, 2007?  
3 A. Yes.  
4 Q. Of whom is the Senior Cabinet comprised?  
5 A. The trustees.  
6 Q. Does the Senior Cabinet also include the  
7 officers of the hospital corporations?  
8 A. I really don't know.  
9 Q. Who actually drafted this? Did you  
10 draft it or did someone draft it for you?  
11 A. I did this with counsel.  
12 Q. And which counsel?  
13 A. David Hoffman, I think.  
14 Q. The memo recites at the top that "The  
15 Board of Trustees of BQHC, Wyckoff and Caritas have  
16 decided to undertake a broad restructuring  
17 initiative that we believe will help create  
18 financially viable and more effective health care  
19 systems at Wyckoff Heights Medical Center and the  
20 two Caritas hospitals, Saint John's and Mary  
21 Immaculate." It goes on to identify FTI and Tom  
22 Singleton as the chief restructuring officer and  
23 Paul Goldberg as the chief financial officer. Do  
24 you see where I am?  
25 A. Yes.

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<p>38</p> <p>1 E.J. RUCIGAY</p> <p>2 Q. Had each of the boards, in fact,</p> <p>3 approved engaging Mr. Singleton as chief</p> <p>4 restructuring officer?</p> <p>5 A. I don't recall.</p> <p>6 Q. Had each of the board approved in</p> <p>7 engaging Mr. Goldberg as chief financial officer?</p> <p>8 A. I don't recall.</p> <p>9 (Whereupon, Plaintiff's Exhibits 19 and</p> <p>10 20 were marked for identification.)</p> <p>11 Q. Mr. Rucigay, let me show you what the</p> <p>12 court reporter marked as Exhibit 19 and Exhibit 20.</p> <p>13 Is Exhibit 19 bills that FTI sent to you for its</p> <p>14 consulting services?</p> <p>15 A. Yes.</p> <p>16 Q. And is Exhibit 20 the checks that paid</p> <p>17 those bills?</p> <p>18 A. Yes.</p> <p>19 Q. Given that the bills were addressed to</p> <p>20 you, were you the first person that got them?</p> <p>21 A. I have no idea.</p> <p>22 Q. What was the process for getting those</p> <p>23 bills paid?</p> <p>24 A. Singleton took care of it all.</p> <p>25 Q. So, the bills ultimately made their way</p>	<p>40</p> <p>1 E.J. RUCIGAY</p> <p>2 the time Mr. Singleton was chief restructuring</p> <p>3 officer, did all other Wyckoff Heights Medical</p> <p>4 Center management report to him?</p> <p>5 A. I believe so, but I'm not sure.</p> <p>6 Q. During the time he was chief</p> <p>7 restructuring officer, did all Brooklyn Queens</p> <p>8 Health Care corporate officers report to Mr.</p> <p>9 Singleton?</p> <p>10 A. I don't recall any events of that</p> <p>11 nature.</p> <p>12 Q. Did all Caritas hospital management</p> <p>13 report to Mr. Singleton when he was chief</p> <p>14 restructuring officer?</p> <p>15 A. I believe so.</p> <p>16 Q. The checks that are in Exhibit 20 are</p> <p>17 from a Wyckoff Heights Medical Center account, are</p> <p>18 they not?</p> <p>19 A. Yes.</p> <p>20 (Whereupon, recess was taken.)</p> <p>21 (Whereupon, Plaintiff's Exhibit 21 was</p> <p>22 marked for identification.)</p> <p>23 Q. Mr. Rucigay, let me show you a</p> <p>24 document that the court reporter marked as Exhibit</p> <p>25 21. Is this a board resolution that you signed?</p>
<p>39</p> <p>1 E.J. RUCIGAY</p> <p>2 to Mr. Singleton and he arranged to have them paid?</p> <p>3 A. Apparently.</p> <p>4 Q. Once he became chief restructuring</p> <p>5 officer, did Mr. Singleton essentially run these</p> <p>6 hospitals?</p> <p>7 A. Yes.</p> <p>8 Q. Was he the top executive in management</p> <p>9 for the hospitals at that time?</p> <p>10 A. I don't know what time you're referring</p> <p>11 to.</p> <p>12 Q. During the time he was chief</p> <p>13 restructuring officer.</p> <p>14 A. Most of it, yes.</p> <p>15 Q. Is it correct that all hospital</p> <p>16 management would have reported to Mr. Singleton</p> <p>17 during the time that he was chief restructuring</p> <p>18 officer?</p> <p>19 A. A good portion of the time, yes.</p> <p>20 Q. What portion of the time did they not?</p> <p>21 A. I'm not sure as to the kick-in time when</p> <p>22 it started for everything. And, basically</p> <p>23 speaking, I had instructed him to concentrate on</p> <p>24 the Caritas hospitals.</p> <p>25 Q. In terms of authority at Wyckoff, during</p>	<p>41</p> <p>1 E.J. RUCIGAY</p> <p>2 A. Yes.</p> <p>3 Q. And it gives to Mr. Singleton and Mr.</p> <p>4 Goldberg authority to sign checks from the hospital</p> <p>5 operating account for Wyckoff?</p> <p>6 A. Apparently.</p> <p>7 (Whereupon, Plaintiff's Exhibit 22 was</p> <p>8 marked for identification.)</p> <p>9 Q. Mr. Rucigay, let me show you a document</p> <p>10 that the court reporter has marked as Exhibit 22.</p> <p>11 Is Exhibit 22 the minutes from the November 1, 2007</p> <p>12 Wyckoff Heights Board of Trustees' meeting?</p> <p>13 A. Yes.</p> <p>14 Q. On the third page of the minutes in the</p> <p>15 paragraph it says, "Mr. Gio inquired as to whether</p> <p>16 or not we have backup plans. The minutes recite</p> <p>17 that Mr. Singleton replied that we do. He stated</p> <p>18 that a meeting will be scheduled with Local 1199 of</p> <p>19 the SEIU to see if they will allow us to move the</p> <p>20 employees from Wyckoff's payroll to Caritas'</p> <p>21 payroll," and there was some further discussion.</p> <p>22 What was the purpose of doing so?</p> <p>23 A. I don't recall.</p> <p>24 Q. Were those employees actually moved from</p> <p>25 Wyckoff's payroll to Caritas' payroll?</p>

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1 E.J. RUCIGAY  
2 A. I have no idea.  
3 (Whereupon, Plaintiff's Exhibit 23 was  
4 marked for identification.)  
5 Q. Mr. Rucigay, let me show a document that  
6 the court reporter has marked as Exhibit number 23.  
7 Is Exhibit 23 the December 20, 2007 minutes of the  
8 Board of Trustees of Wyckoff Heights Medical  
9 Center?  
10 A. Yes.  
11 Q. Let me direct your attention, if I may,  
12 to page 4. At the top of the page it says that Mr.  
13 Singleton reported to the board that he, along with  
14 Mr. Gio and Julius Romero, had been negotiating  
15 with the Caribbean medical schools over the last  
16 two months to generate additional cash for Wyckoff  
17 and Caritas. He stated that "We have been  
18 successful in both cases. Wyckoff received a wire  
19 transfer today from Ross in the amount of \$4  
20 million dollars for prepaid medical student  
21 clerkship rotations. This should help to relieve  
22 some of the cash-flow problems for Wyckoff." He  
23 mentioned that "Caritas received \$3.7 million last  
24 week from Ross University. Mr. Singleton commented  
25 that this was done without expanding slots." And

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1 E.J. RUCIGAY  
2 at the bottom it says you thanked him for his  
3 support, correct?  
4 A. Yes.  
5 Q. Did anybody object when Mr. Singleton  
6 reported to the board that he had made these deals  
7 with Ross to him making the deals?  
8 A. I have no idea what that is.  
9 Q. Do you recall any such objection?  
10 A. I don't recall.  
11 Q. In the ordinary course of how Wyckoff's  
12 board conducted its business, if someone had an  
13 objection to Mr. Singleton entering into these  
14 deals, would the minutes reflect that objection?  
15 MR. HOFFMAN: Objection to form.  
16 A. I don't know how it would have been  
17 taken.  
18 Q. Do you know Julius Romero?  
19 A. Yes, I do.  
20 Q. What's Mr. Romero's job?  
21 A. I'm not a hundred percent certain, but I  
22 only got to know him recently.  
23 (Whereupon, Plaintiff's Exhibit 24 was  
24 marked for identification.)  
25 Q. Mr. Rucigay, let me hand you a document

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1 E.J. RUCIGAY  
2 that the court reporter has marked as Exhibit 24.  
3 It states that it's a draft final of "Caritas  
4 Health Care Closure Plan." Are you familiar with  
5 the document at all?  
6 A. No.  
7 Q. Who at the hospital would have been  
8 responsible for preparing plans for closing the  
9 Caritas hospital?  
10 A. I have no idea.  
11 (Whereupon, Plaintiff's Exhibit 25 was  
12 marked for identification.)  
13 Q. Mr. Rucigay, let me show a document that  
14 the court reporter has marked as Exhibit 25. Is  
15 Exhibit 25 the minutes from the March 5, 2009  
16 Brooklyn Queens Health Care Trustee board meeting?  
17 A. Yes.  
18 Q. If I may direct your attention to page  
19 3, it appears, sir, that the board was discussing  
20 tasks following the closure of the Caritas  
21 hospitals.  
22 A. I don't know what you mean by "tasks."  
23 Q. Was the discussion what was to be done  
24 following closure of the Caritas hospitals?  
25 A. I don't know. I don't recall.

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1 E.J. RUCIGAY  
2 Q. On page 3 at the very bottom it says  
3 that "Mr. Rucigay stated that there are three  
4 issues we will concern ourselves with and follow up  
5 on: Ross University, Meditech and the Pension  
6 issue." What issue were you to follow up on with  
7 respect to Ross?  
8 A. I don't know what was going on.  
9 MR. LOUGHLIN: Objection. This is going  
10 into a privileged area. I suggest, if you  
11 look at the sentence just above the one that  
12 you directed the witness's attention to,  
13 three of the individuals who are referred to  
14 as following up on various matters are  
15 lawyers. Mr. Zall is outside counsel with  
16 the Proskauer firm. Mr. Hoffman and Ms.  
17 Mullally were in-house lawyers. It's not up  
18 to me to interpret this document, but your  
19 question which is really about follow-up of  
20 the issues here, it suggests that it's  
21 embedded in communications with counsel who  
22 are going to examine some of these issues. I  
23 wasn't sure that you knew that Ms. Mullally  
24 and Mr. Zall were attorneys, although you  
25 know that Mr. Hoffman is.



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<p>46</p> <p>1 E.J. RUCIGAY</p> <p>2 Q. For the moment, I'm not asking you for</p> <p>3 communications with your lawyers. It says here</p> <p>4 that you stated there are issues with respect to</p> <p>5 Ross that you concerned yourself with.</p> <p>6 A. Yes.</p> <p>7 Q. I'm asking for your understanding of</p> <p>8 what those issues are.</p> <p>9 A. I don't recall.</p> <p>10 Q. Was the issue that you reference to here</p> <p>11 a potential dispute with Ross about the affiliation</p> <p>12 agreement between Ross and BQHC?</p> <p>13 A. I have no idea. I don't recall.</p> <p>14 Q. Mr. Rucigay, do you keep your own files</p> <p>15 with respect to board meetings?</p> <p>16 A. No.</p> <p>17 Q. During Mr. Singleton's time as chief</p> <p>18 restructuring officer, did he discharge any</p> <p>19 employees of Wyckoff Heights?</p> <p>20 A. He directed -- yes.</p> <p>21 Q. Who did he fire?</p> <p>22 A. Dominick Gio.</p> <p>23 Q. Did he consult with the board before</p> <p>24 doing so?</p> <p>25 A. I don't believe so.</p>	<p>48</p> <p>1 E.J. RUCIGAY</p> <p>2 gone?</p> <p>3 A. Apparently there was something there.</p> <p>4 Q. Did Mr. Singleton tell you why he wanted</p> <p>5 Mr. Hoffman to be discharged?</p> <p>6 A. No.</p> <p>7 Q. Did he make any indication at all to you</p> <p>8 or to the board?</p> <p>9 A. He didn't specify any.</p> <p>10 (Whereupon, a discussion was held off</p> <p>11 the record.)</p> <p>12 MR. TZANETOPOULOS: Let's go back on the</p> <p>13 record. Mr. Rucigay felt that he needed to</p> <p>14 stop for the day, so Mr. Loughlin and I</p> <p>15 agreed that that seemed to be the right thing</p> <p>16 to do. We'll work out a means of completing</p> <p>17 Mr. Rucigay's deposition when he feels a</p> <p>18 little better and go from there.</p> <p>19 MR. LOUGHLIN: That's fine. I'm sure</p> <p>20 we'll be able to work out something, either</p> <p>21 to agree to stipulate to the authenticity of</p> <p>22 a lot of the documents that you wanted Mr.</p> <p>23 Rucigay to authenticate, or if we need an</p> <p>24 additional period of his testimony, I'm sure</p> <p>25 we can schedule that. We went a little over</p>
<p>47</p> <p>1 E.J. RUCIGAY</p> <p>2 Q. After the board learned that Mr.</p> <p>3 Singleton fired Mr. Gio, did the board reverse the</p> <p>4 decision to discharge Mr. Gio?</p> <p>5 A. No.</p> <p>6 Q. Did Mr. Singleton fire anybody else</p> <p>7 while he was chief restructuring officer?</p> <p>8 A. He tried to.</p> <p>9 Q. Who did he try to fire?</p> <p>10 A. David Hoffman.</p> <p>11 Q. And what happened in Mr. Hoffman's case?</p> <p>12 A. He was put on a sabbatical.</p> <p>13 Q. Did Mr. Singleton express to you or the</p> <p>14 board why it is that he had fired Mr. Gio?</p> <p>15 A. Not really.</p> <p>16 Q. You said "not really." What information</p> <p>17 do you have about why it is that Singleton fired</p> <p>18 Gio?</p> <p>19 A. He mentioned the liaison with Albany.</p> <p>20 Q. By "liaison with Albany," is that a</p> <p>21 reference to Assemblyman Seminerio's troubles?</p> <p>22 A. No.</p> <p>23 Q. What liaison with Albany --</p> <p>24 A. With Commissioner Daines.</p> <p>25 Q. Commissioner Daines said he wanted Gio</p>	<p>49</p> <p>1 E.J. RUCIGAY</p> <p>2 two hours today, and he is elderly and I</p> <p>3 think was losing some energy.</p> <p>4 MR. TZANETOPOULOS: We'll take it up</p> <p>5 another time when he feels better.</p> <p>6 (Time noted: 12:30 p.m.)</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>Signed and subscribed to before me, this _____ day of _____ 2011.</p> <p>Notary Public</p>



<p>50</p> <p>1 INDEX OF WITNESSES</p> <p>2 EXAMINATION BY PAGE</p> <p>3 MR. TZANETOPOULOS 4</p> <p>4</p> <p>5 INDEX OF EXHIBITS</p> <p>6 NO. DESCRIPTION PAGE</p> <p>7 1 Minutes-2/9/06 8</p> <p>8 2 Minutes-1/11/07 8</p> <p>9 3 Minutes-10/5/06 12</p> <p>10 4 Minutes-12/14/06 16</p> <p>11 5 Employment agreement 17</p> <p>12 6 Agreement 19</p> <p>13 7 Minutes-2/8/07 22</p> <p>14 8 Letter 23</p> <p>15 9 Affiliation agreement 24</p> <p>16 10 Promissory note 25</p> <p>17 11 President's letter 25</p> <p>18 12 Financial statement 2007 28</p> <p>19 13 Minutes 30</p> <p>20 14 Draft letter 32</p> <p>21 15 Petition 33</p> <p>22 16 Engagement letter 35</p> <p>23 17 Services agreement 35</p> <p>24 18 Memo 36</p> <p>25 19 Bills 38</p>	<p>52</p> <p>1 CERTIFICATE</p> <p>2 STATE OF NEW YORK)</p> <p>3 :ss.</p> <p>4 COUNTY OF KINGS )</p> <p>5 I, SARA FREUND, a Notary Public</p> <p>6 within and for the State of New York, do hereby</p> <p>7 certify:</p> <p>8 THAT EMIL J. RUCIGAY, the witness</p> <p>9 whose deposition is hereinbefore set forth, was</p> <p>10 duly sworn by me and that such deposition is a true</p> <p>11 record of the testimony given by such witness.</p> <p>12 I further certify that I am not</p> <p>13 related to any of the parties to this action by</p> <p>14 blood or marriage; and that I am in no way</p> <p>15 interested in the outcome of this matter.</p> <p>16 IN WITNESS WHEREOF, I have hereunto</p> <p>17 set my hand this 30th day of June, 2011.</p> <p>18</p> <p>19</p> <p>20</p> <p>21 SARA FREUND</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p>51</p> <p>1 20 Checks 38</p> <p>2 21 Board resolution 40</p> <p>3 22 Minutes-11/1/07 41</p> <p>4 23 Minutes-12/20/07 42</p> <p>5 24 Closure plan 43</p> <p>6 25 Minutes-3/5/09 44</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>53</p> <p>1 I wish to make the following changes, for the</p> <p>2 following reasons:</p> <p>3 PAGE LINE</p> <p>4 _____ CHANGE: _____</p> <p>5 REASON: _____</p> <p>6 _____ CHANGE: _____</p> <p>7 REASON: _____</p> <p>8 _____ CHANGE: _____</p> <p>9 REASON: _____</p> <p>10 _____ CHANGE: _____</p> <p>11 REASON: _____</p> <p>12 _____ CHANGE: _____</p> <p>13 REASON: _____</p> <p>14 _____ CHANGE: _____</p> <p>15 REASON: _____</p> <p>16 _____ CHANGE: _____</p> <p>17 REASON: _____</p> <p>18 _____ CHANGE: _____</p> <p>19 REASON: _____</p> <p>20 _____ CHANGE: _____</p> <p>21 REASON: _____</p> <p>22 _____ CHANGE: _____</p> <p>23 REASON: _____</p> <p>24</p> <p>25</p>